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TRENDS IN CONSUMER CHOICE

Cash and Counseling: Early Experiences in Arkansas

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This brief is based on Mathematica's evaluation of Cash and Counseling, a three-state demonstration in which Medicaid enrollees eligible for personal assistance services and other paid help around the home and community get a monthly cash allowance to purchase these services and related goods, instead of obtaining them through a home care agency. They also receive counseling to help plan their purchases. The three states included in the demonstration are Arkansas, Florida, and New Jersey.

A New Approach

Cash and Counseling is an innovative method of delivering services to frail elderly and disabled Medicaid enrollees. The primary goal is to increase consumers' control over their personal care and assistance, enhance their satisfaction with that care, and meet their needs more fully without increasing costs. Consumers can use their monthly cash allowances to hire family members, friends, or anyone else to provide care, or to buy equipment or devices to increase their independence. This empowerment over the choice of providers, services, and equipment is expected to improve consumers' independence and quality of life.

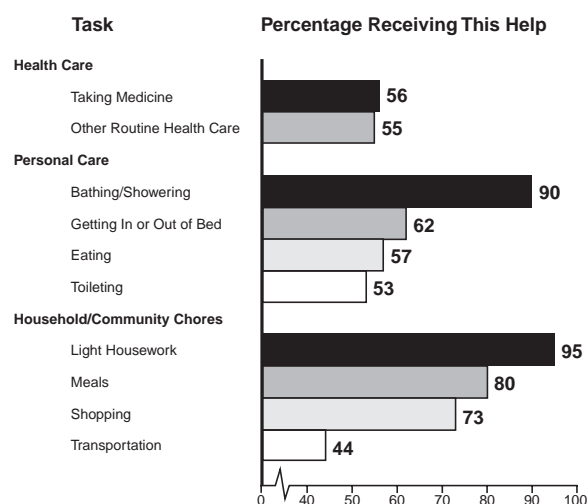
The study will estimate the size of demonstration effects, determine whether the program worked better for some groups than others, and describe, in each state, how it accomplished its goal (or why it failed). The randomly assigned treatment and control groups will ensure that the estimates truly measure program effects. Evaluation findings will help policymakers determine whether and how to develop ongoing

consumer-directed programs in the demonstration states and other locales.

An Early Look at Arkansas

Preliminary findings for the first 200 treatment group members in the Arkansas Independent Choices program provide an early glimpse of who enrolled, what they used the cash for, types and amount of help hired, and satisfaction with the program. About three-fourths of these early enrollees are age 65 or older. More than half are in poor health, most with chronic illnesses. Many have extreme difficulty with the basic activities of daily living, leading more than 60 percent to have paid help with getting out of bed and 90 percent to have paid help with bathing (Figure 1). Two-thirds were still enrolled in the program nine months after entering.

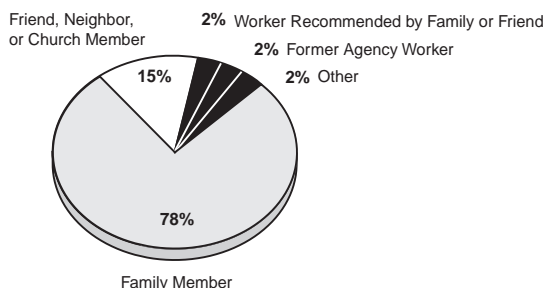
Figure 1: Help from Paid Caregivers



When choosing a caregiver, enrollees almost always hired people they were already close to personally (Figure 2). Over three-fourths chose a family member, and another 15 percent opted for a friend, neighbor, or church member to provide care, typically

for 10 to 20 hours a week. Two out of five used multiple caregivers to meet their needs. An important result is that 95 percent were pleased with the times of day they could get help. Many people who get help from an agency have to adjust to whatever hours the paid caregiver works.

Figure 2: Who Consumers Hired



Most enrollees are highly pleased with the care arrangements they made. A full 100 percent are satisfied with their relationship with the hired worker. This is very different from traditional care arrangements, under which consumers are sometimes unhappy with the way agency workers treat them. The highly personal nature of the care provided and the vulnerability of the recipients underscores the importance of giving consumers the option of hiring caregivers who treat them with dignity and respect.

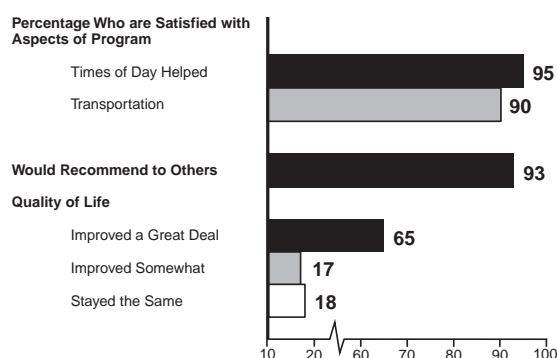
A unique feature of Cash and Counseling is that consumers can also use the monthly allowance to purchase needed items. One-third bought or repaired equipment for personal activities, communication, or safety. One-fifth bought or repaired equipment for such things as meal preparation or housekeeping chores. A small proportion modified their homes. Surprisingly, some used funds to purchase medicine, perhaps because of limited drug coverage through the Arkansas Medicaid program.

Despite their physical problems, 80 percent reported being satisfied with their lives. However, 25 to 40 percent say they are still not getting enough help with various activities, especially meals and housework. There continues to be room for improvement.

Satisfaction with Independent Choices

Early enrollees in Cash and Counseling appear very pleased with their experience (Figure 3). Ninety-three percent would recommend the program to others; four out of five said it improved their lives. None said they were worse off than before. How their experience compares to that of enrollees in the traditional program, and the effect on Medicaid costs, remains to be seen. The final report for Arkansas will shed light on these questions and differences in effects across groups of consumers defined by age and other factors. Other reports on how caregivers are affected and on findings for New Jersey and Florida will provide further guidance on the consequences of giving consumers control over their personal care.

Figure 3: Consumer Satisfaction



The Cash and Counseling evaluation is based on telephone surveys with demonstration participants and their caregivers, analysis of Medicare and Medicaid enrollment and claims data, information about program implementation collected from state officials and provider agencies, and interviews with counselors. The demonstration is jointly funded by the Robert Wood Johnson Foundation and the U.S. Department of Health and Human Services, Office of the Assistant Secretary for Planning and Evaluation. The national program office for Cash and Counseling is the Center on Aging at the University of Maryland. For questions about the study, please call Dr. Randall Brown at (609) 275-2393, or visit our web site at www.mathematica-mpr.com/cashcounselinghot.htm.

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